

CHAPTER 2

LITERATURE REVIEW

There is little literature on the subject of consumer ethnocentrism.

Since its introduction by Shimp and Sharma (1987), there have only been three (3) other publications on the subject, all of which are also in journals. These four (4) publications are:

1. Shimp and Sharma (1987). This paper introduces the concept and describes how the CETSCALE is formed:
2. Netemeyer, Darvasula, and Lichtenstein (1991). This paper conducts a cross-national validation of the reliability and validity of the CETSCALE;
3. Herche (1992). This paper offers a dissenting view that the CETSCALE may not be consistent across product types; and
4. Sharma, Shimp and Shin (1995). This paper identifies some antecedents and moderators of consumer ethnocentrism. It offers an answer to Herche's (1992) dissension by demonstrating that consumer ethnocentrism may be moderated by situational circumstances.

Shimp and Sharma (1987) first introduce the concept of consumer ethnocentrism and demonstrate how they devise a scale to measure it - The CETSCALE. They include evidence from four (4) separate studies to demonstrate the reliability and convergence and discriminant validity of the CETSCALE. In these four studies, Shimp and Sharma show that the CETSCALE demonstrates an internal reliability of coefficient alpha between 94% to 96%, thus confirming that the CETSCALE is a reliable indicator of consumer ethnocentrism (Shimp and Sharma 1987).

In 1991, Richard G. Netemeyer, Srinivas Durvasula and Donald R. Lichtenstein test the cross-national validity of the CETSCALE. Studies are conducted on American, German, French and Japanese university students in the United States. The following internal reliability results are found:

TABLE 2.1

Internal Reliability of CETSCALE

Nationality	Reliability (Coefficient Alpha)
American	95%
French	92%
Japanese	91%
West German	94%

Source: Netemeyer *et al.* (1991).

(Netemeyer *et al.* 1991).

This study confirms the robustness of the CETSCALE (Netemeyer *et al.* 1991). In fact, the high scores of ninety (90) and more percent across very different political and cultural systems confirm the efficacy of the CETSCALE.

In 1992, Joel Herche publishes an article to express caution on the consistency of the CETSCALE as a measure of consumer ethnocentrism. He finds that the CETSCALE is not consistent across two (2) products tested, that is, automobiles and computers (Herche, 1992). This merely corroborates the contention of Shimp and Sharma that the CETSCALE is a measure of tendency. That is, the CETSCALE is not a measure of predisposition towards specific products and that there are other factors, situational or otherwise, that may affect the ultimate buying decision.

The most recent publication on the subject is done by Sharma, Shimp and Shin (1995).

In the study, they:

1. Propose some theoretical antecedents of consumer ethnocentrism;
2. Demonstrate the effect of ethnocentrism on evaluations toward importing foreign products; and,
3. Identify factors that moderate the effect of ethnocentrism on consumers' attitudes toward importing products.

Sharma *et al.* (1995) show that openness to foreign cultures, patriotism, conservatism and collectivism/individualism are antecedents of consumer ethnocentrism. In this same study, Sharma *et al.* also show that Perceived Product Necessity, Personal Economic Threat and Domestic Economic Threat are moderators of consumer ethnocentrism.

Reading around

Gentry, Jun and Tansuhaj (1995) study the process of acculturation in Southern Thailand. Acculturation is the process by which a minority culture integrates into the host culture. They find that the behavioural and attitudinal dimensions of acculturation appear to be relatively independent. That is, "...one's cultural identity is somewhat independent of one's behavioural acculturation". Within the Malaysian context this would imply that it is possible for Malaysians to achieve behavioural similarity but yet retain their distinct cultural identity.

Acculturation might well be an antecedent of consumer ethnocentrism. Since it follows that the more one is integrated into the host culture, the more one identifies with it - and hence, there is a convergence of consumer ethnocentric values with the host culture. However, Gentry *et al.* warn that "...acculturating people are frequently under high levels of stress, feelings of marginality and alienation (and) marketers should be concerned with how they can ease the transition faced by immigrants wishing to integrate with the host culture or how they can segment markets so as to meet the needs of groups wishing to remain separate from the majority culture".

Bonvillian and Nowlin (1994) propound that being cultural aware - of foreign cultures - where one does business is a crucial factor to success. They say, for example, that '... Americans have a long way to go in developing executives to function abroad successfully..... we are not prepared as a country to deal with cultural differences'. By extension, being culturally sensitive creates acceptance by the host culture. It helps the marketer, for instance, to identify and/or meld with local realities which, if he were ignorant, would not be exploited profitably.

Closer to the concept of consumer ethnocentrism is the study done by Martin and Eroglu (1993). They have developed a multidimensional construct called Country Image which is measured on a fourteen (14) point scale. The dimensions incorporated in the country image construct are the political dimension, the economic dimension and the technological dimension. They propose that '...international managers need to assess the extent to which relevant country images are favourable or unfavourable, if and how they affect product quality and product purchase decisions, and how they can be used to develop effective marketing strategies'. The country image construct may be used to gauge the perceptions of the host country towards the source country from which the product originates. This may be used in tandem with the CETSCALE to evaluate the acceptability of the foreign product. Country image would likely be a moderator of consumer ethnocentrism.

Childers and Rao (1992) have conducted a study which is an extension of a study done by Bearden and Etzel (1982). They find that an individual's product/brand decision - which is influenced by consumer ethnocentrism - is influenced by peers and family. From this, we may also infer that family and peer influence may moderate the degree of consumer ethnocentrism inherent in an individual.

Grunert and Scherhorn (1990) study differences in cultural values between West German data and the results of surveys in the United States, Canada and Norway. They use the List of Values (Kahle, 1983) as the measuring instrument. The results show '...considerable cross-cultural differences which can only in part be ascribed to differences in the political, economic and sociocultural development of the country' and that semantic differences account for much of the remaining difference in the cross-cultural differences. These semantic differences lead to measurement bias and they arise because of culturally different meanings ascribed to words. They make cross-cultural comparisons more difficult. One may draw a similar conclusion in the measurement of consumer ethnocentrism. That is, one should be aware that cross-border comparisons - even intra-country comparisons - should be conducted with caution. Semantic differences have a insidious way of clouding the clarity of research findings!

An interesting study done on the effect of country of origin on product evaluation has been done by Hong and Wyer Jr. (1990). They find that '...when country of origin and intrinsic attribute information were presented in the same experimental session, subjects perceived country of origin as simply another product attribute. When presented the day before, however, country of origin not only had a greater influence on product evaluation but affected the interpretation of attribute descriptions'. That is, knowing the country of origin well before knowing the product attributes creates a bias in the mind of the consumer such that her evaluation of the product attributes will be affected by her preconceived perceptions of the country of origin. There could be a possible link, even a cross-influence, between country of origin and consumer ethnocentrism. On the basis of evidence, however, it seems more likely that country of origin may be a major moderator of consumer ethnocentrism. Hong *et al.* (1989) have an earlier study in which they analyse the augmenting effect of country of origin on product attribute information. These two (2) studies are mutually complementary.

In their research, Staymen and Deshpande (1989) examine the effect of situational ethnicity and the effect of situational contexts on the relationship between ethnicity and consumption. Staymen *et al.* suggest that ethnicity '...is not just who one is but (also) how one feels in and about a particular situation'. Thus, ethnicity is more than just a stable sociological trait. Ethnicity also includes transitional psychological states. In relation to consumer ethnocentrism, this implies that one's consumer ethnocentrism may also be moderated by one's inherent ethnicity and one's situational ethnicity. Or, it could be that one's inherent ethnicity may be an antecedent to one's consumer ethnocentrism; and one's situational ethnicity may be a moderator of one's consumer ethnocentrism!

In a research related to consumer ethnocentrism, Darling and Arnold (1988) propose that '...to compete successful in this broad (international) arena, marketing managers must have a thorough understanding of, and empathy for, the varying needs and preference of consumers in the various markets within which a firm interacts. In addition, consumer attitudes toward products from different countries can also be a major factor in determining successful marketing strategies'.

Darling *et al.*'s study focuses on the foreign consumers' perspectives of products and marketing practices of the United States versus selected European countries. They have found that citizens in a country (Finland) react differently to the products and associated marketing practices of other countries (England, West Germany, France and the United States).

Sheth (1983) has done a study on the cross-cultural influences on the buyer-seller interaction/negotiation process. Among other reasons for his study, he quotes the '...abundance of international business blunders (Ricks, Fu and Aepen, 1974)'. Sheth forwards a possible solution to the problem - a better understanding of the cross-cultural buyer-seller interaction in cross-border transactions. Sheth develops a conceptual framework that identifies six (6) stages in the buyer-seller interaction. They are: prospecting, rapport building, information exchange, persuasive effort, closure and the follow-up stages.

These studies that have been reviewed provide valuable insights. They augment one's understanding and appreciation of consumer ethnocentrism. More than anything else, they concretise the fact that consumer ethnocentrism does not exist in isolation. Consumer ethnocentrism affects, and is in turn, affected by these other phenomena that have been reviewed. The dynamics of consumer behaviour are in a constant state of flux.

Consumer Ethnocentrism in Malaysia

Obviously, consumer ethnocentrism as defined by Shimp *et al.*, exists in Malaysia. However, there is no literature on the subject. A search revealed no studies done on consumer ethnocentrism in Malaysia. This is the first study on consumer ethnocentrism in Malaysia.

There are, however, two (2) interesting and related studies done by Nik Rahimah (1991, 1992). Nik Rahimah (1991) has found that there is '...a significant gender-subcultural influence but an insignificant ethnic-subcultural influence' on product symbolism. The study on Malays and Chinese reveals that one's sex actually plays a significant role in ascribing meanings to a product's symbolism while one's ethnic origins may not. This has important sociological implications on consumption in Malaysia.

Nik Rahimah (1992) suggests that using a standardized scale to measure socio-psychological constructs may not be appropriate. This is due to the fact that cross-cultural differences (perceptions, semantics, etcetera) may mar a subjects understanding of the survey instrument thus making for incomparability. Nik Rahimah suggests using reliability assessments as an alternative basis. Although the study is inconclusive, it is food for thought. Can the CETSCALE be used in its original form for comparing cross-cultural and cross-border consumer ethnocentrism? Perhaps, some modification should be done to accommodate ethno-cultural differences.